

Agency Activity Inventory
by Agency
Appropriation Period: FY 2007-08

Agency: R44 - Department of Revenue

Functional Group: Legislative,
Executive &
Administrative

1413 Collections

Collections activities includes enforced collections of delinquent tax and debts of other governmental entities. Collection activities include various automated method of taxpayer identification, assistance and education to reduce the amount and number of outstanding receivables. Additionally, Collection Services utilizes private and federal resources to accomplish these functions. (Title 12)

FY 2007-08						
Total	General Funds	Federal Funds	Supp. Funds	CRF	Other Funds	FTEs
\$8,195,011	\$6,283,547	\$0	\$0	\$0	\$1,911,464	100.71

Expected Results:

Improve account selection, Increase methods of filing and payment, Reduce number of assessments/liens issued, Reduce amount of outstanding liabilities, Provide a trained and knowledgeable work force, Number of assessments resolved, Number of liens resolved, Increase number of payment and filing options, Reduce dollars owed state and other entities, Increase collection dollars of Private Collection Agencies.

Outcome Measures:

Cost of Collections reduced to \$.00675; Dollars collected per filled full time employee exceeded \$14 million, Debt setoff exceeded \$79 million, up \$7 million from last year, claimant agencies increased to 100, Total Enforced Collections exceeded \$580 million; Total collections exceeded \$8 billion.

Agency: R44 - Department of Revenue

Functional Group: Legislative,
Executive &
Administrative

1414 Compliance

The Department's Compliance Activities encompasses all audit and audit related functions. This includes office examination, office audit, field audit (both domestic and non-resident), audit support, and criminal investigations. The audit function begins with the selection of files to be examined and continues through the appeals process and a criminal investigation, if warranted. An examination may take the form of basic error corrections, or may be as complex as the electronic audit of a major multi-state corporation.

FY 2007-08

Agency Activity Inventory
by Agency
Appropriation Period: FY 2007-08

Total	General Funds	Federal Funds	Supp. Funds	CRF	Other Funds	FTEs
\$14,751,021	\$11,310,386	\$0	\$0	\$0	\$3,440,635	181.31

Expected Results:

Effective and efficient audit coverage in all tax areas, Increase in voluntary compliance, Reduced burden on taxpayers through expanded use of electronic audit techniques, Prompt resolution of protested audits, Identification of potential non-filers through our nexus and discovery activities, Identification and investigation of potential fraudulent filers.

Outcome Measures:

Implementation of Data Warehouse project collected over \$14 million in first year, Expanded Nexus/Discovery Auditing increases almost 10 times in 7 years: FY99 \$1.5 million collections; FY07 \$14.5 million collections with an average Net Annual Collection of \$66 million and an average monthly Net Collection ROI around \$4,700.

Agency: R44 - Department of Revenue

Functional Group: Legislative,
Executive &
Administrative

1415 Processing

The overall processing activity encompasses all activities from the initial forms design through the receipt of the return/payment and/or correspondence to the end point of archival. Within that framework is verification of data, mainframe upload, deposit of revenue, error correction, refund issuance and storage of records. The process can be a fully manual operation with paper archival, a scan/image operation with electronic archival or a fully electronic operation through the Internet or IVR that creates an electronic archival.

FY 2007-08

Total	General Funds	Federal Funds	Supp. Funds	CRF	Other Funds	FTEs
\$6,009,675	\$4,607,935	\$0	\$0	\$0	\$1,401,740	73.87

Expected Results:

Reduce time to complete process of paper Individual Income Tax (IIT) returns. Reduce the average time to issue refunds for paper IIT returns. Limit the number of sales, withholding, corporate, IIT and motor fuel refunds that take more than 75 days from time of receipt to issuance. Increase annually the total dollars deposited through electronic means. Maintain the level of interest lost due to processing delays. Increase annually the number of sales returns filed electronically. Increase annually the number of IIT returns filed electronically. Increase annually the number of withholding returns filed electronically. Increase annually the number of pages of documents scanned and/or imaged.

Outcome Measures:

'Completion time for the processing of paper Individual Income Tax (IIT) returns was 2 days less than previous year; 99% of IIT refunds issued within 30 days; Over 1.25 million IIT returns filed electronically, 8.2% increase,

Agency Activity Inventory
by Agency
Appropriation Period: FY 2007-08

South Carolina ranked #4 nationally in % of income returns filed electronically; 27% of sales and 23% of withholding returns are filed electronically; on average 65% of dollars collected are received electronically; Approximately 8 million transactions are processed annually, 6.7 million documents scanned or imaged. Included are 734,954 checks encoded, imaged and deposited, totaling \$727 million.

Agency: R44 - Department of Revenue

Functional Group: Legislative,
Executive &
Administrative

1416 Taxpayer Assistance

Taxpayer Assistance includes the Contact Center as well as Regional and Satellite Offices to provide statutory compliance with registration, licenses, explanation of correspondence/notices and forms. This assistance may be in person or other means of communication and range from general information to complex issues of all taxes or questions concerning other governmental entities.

FY 2007-08						
Total	General Funds	Federal Funds	Supp. Funds	CRF	Other Funds	FTEs
\$4,917,007	\$3,770,129	\$0	\$0	\$0	\$1,146,878	60.44

Expected Results:

Prompt assistance in person or other means, Trained and knowledgeable work force, Reduce compliance burden on citizens, Increase methods of assistance through technology and taxpayer training, Number of taxpayers assisted, Increase Services Provided, Decrease call wait time, Decrease calls transferred.

Outcome Measures:

The Call Center has an average of 18,465 calls per month with an average wait time of 2:03 minutes; South Carolina Business One Stop project goes live registering taxpayers, provide web access to information and allows taxpayers to use certain services, such as Alcohol License Renewals, online, also encompasses Secretary of State, LLR and DHEC registrations.

Agency: R44 - Department of Revenue

Functional Group: Legislative,
Executive &
Administrative

1417 Legal

Legal consists of three major areas: litigation, legislative services, and policy. Litigation encompasses all activities related to representing the Department of Revenue's interest in any state or federal court, preparing and issuing Final Agency

Agency Activity Inventory
by Agency
Appropriation Period: FY 2007-08

Determinations, responding to third-party discovery, administering the Department's bankruptcy and foreclosure operations, and helping other Department divisions settle ongoing appeals. Legislative Services encompasses all activities related to the General Assembly. This includes preparation of legislation, tracking legislation, supporting the General Assembly through assistance with constituent support and attendance at committee hearings. Legal also supports the Governor's Office, the Tax Study Committee, and other state agencies relating to legislation (Part IB, 72.32, Sections 12-4-310(2) and 310(3), 11-11-10, and 2-41-50. Policy is responsible for providing the Department of Revenue with a single voice on behalf of the Director regarding the application of revenue laws. (Section 12-4-320(2)).

FY 2007-08

Total	General Funds	Federal Funds	Supp. Funds	CRF	Other Funds	FTEs
\$2,546,337	\$1,675,613	\$0	\$0	\$0	\$870,724	26.86

Expected Results:

Timely prepare and file all necessary legal documents. Formulate and recommend legislation to enhance uniformity, enforcement and administration of the tax laws and secure just taxation and improvements in the system of taxation in a timely manner.

Outcome Measures:

The Litigation Section of the General Councilor's Office prepared and issued 409 Determinations. It also submitted all required legal documents, conducted discovery as needed, and appeared on behalf of the Department in 147 contested case hearings and eight appellate matters. The Litigation section further prepared and filed pleadings in 1,584 foreclosures and proofs of claim in 1,520 bankruptcies. The total number of bankruptcy petitions administered was 13,864. Handled 163 constituent assistance requests. Handled 424 Taxpayer Advocate cases. Timely responded to 182 Freedom of Information requests. Responded to approximately 300 media contacts. Issued 30 news releases. Updated the "Tax Guide for Tax for Military Personnel" brochure and created a new brochure called "Accommodations Tax on Rental and Vacation Property." Wrote and issued advisory opinions addressing 478 issues. Reviewed, commented, and sometimes suggested amendments to 87 legislative suggestions. Drafted 21 statutes and regulations. Addressed and resolved 3821 complex issues through informal advice.

Agency: R44 - Department of Revenue

Functional Group: Legislative,
Executive &
Administrative

1418 Property

Responsible (directly or indirectly) for approximately \$ 1,837,000 property tax dollars collected by the counties, schools, and municipalities. This is approximately 1/3 of all property tax dollars collected by counties, schools and municipalities. (Includes appraisal of manufacturing property, valuation of all utility property, valuation of business personal property, vehicle valuations, and calculation of all fee-in-lieu of property) Responsible for calculation of School Index which is factor used to distribute education dollars back to school districts. (approximately \$1,000,000,000 state \$ back to school districts) Responsible for certifying all property tax exemptions for both real and personal property. Responsible for providing annual continuing education to county auditors, assessors and treasurers. Responsible for advising county auditors assessors and treasurers on tax matters.

Agency Activity Inventory
by Agency
Appropriation Period: FY 2007-08

FY 2007-08

Total	General Funds	Federal Funds	Supp. Funds	CRF	Other Funds	FTEs
\$2,185,337	\$1,675,613	\$0	\$0	\$0	\$509,724	47.86

Expected Results:

Fair & Equitable assessment of all property under agency jurisdiction, Correct calculation of the Index of Taxpaying Ability, Proper determination of property tax exemptions. County officials receive training in pertinent areas. The Property Division provided timely and accurate advice.

Outcome Measures:

Timely assessments by agency and counties, Taxpayer and county complaints, appeals cases. Feedback from county assessors, auditors and treasurers require adequacy of training; timeliness and accuracy of advice provided

Agency: R44 - Department of Revenue

Functional Group: Legislative,
Executive &
Administrative

1419 Regulatory

The Department has a statutory duty to license and regulate alcoholic beverage activity see Title 61) and bingo activity (See Title 12, Chapter 21). The Regulatory Division also assesses penalties for violations, and litigates contested cases involving applications and violations.

FY 2007-08

Total	General Funds	Federal Funds	Supp. Funds	CRF	Other Funds	FTEs
\$1,092,668	\$837,806	\$0	\$0	\$0	\$254,862	13.43

Expected Results:

Compliance with statutory requirements which will increase public safety, will ensure collection of taxes, and will safeguard bingo receipts due nonprofit organizations.

Outcome Measures:

Number of licenses issued: 57,000 (including 53,746 LOP's). Penalties assessments made: 940, amount of bingo funds remitted to nonprofit organizations was \$2,194,157.

Agency Activity Inventory
by Agency
Appropriation Period: FY 2007-08

Agency: R44 - Department of Revenue

Functional Group: Legislative,
Executive &
Administrative

1420 Technology Services

Coordinates information technology direction for the agency, Researches and analyzes agency functions and makes recommendations to maximize operational efficiency, Maintains the security of mainframe computer databases, master files and the local area network, Designs, implements and supports the agency's computerized processing functions on the mainframe microcomputer systems, Performs computer audits and tracking of taxes, Maintains voice and data networks, Designs, produces and manages the inventory of forms, Produces statistical, financial and management reports.

FY 2007-08

Total	General Funds	Federal Funds	Supp. Funds	CRF	Other Funds	FTEs
\$12,534,014	\$7,540,257	\$0	\$0	\$0	\$4,993,757	120.87

Expected Results:

Ongoing support for all computer application systems reflected in availability, reliability, response to update requests, and system performance. Delivery of new applications on-time, on-budget, and to client specifications. Maintenance of a strategic & tactical technology plan in line with agency objectives.

Outcome Measures:

South Carolina Integrated Tax System (SCITS) strategic partnership RFP signed in FY '07 with multi-phase implementation. Phase 1 – January 2008. Phase 2 – June 2010. This system will replace the 20-year-old South Carolina Automated Tax System currently in use. Data Warehouse, initiated in FY '05, has generated significant revenue growth and its use will continue to grow. South Carolina Business One-Stop usage continues to grow. Agency partner expansion and new functions available for business registration, license, and permits are occurring. Scan Image/Remittance Processing System implementation completed in FY '07. Adding more tax types and forms will expand use of system. SCEIS system still planned for financial systems and Human Resource Systems.

Agency: R44 - Department of Revenue

Functional Group: Legislative,
Executive &
Administrative

1421 Administrative Support

Internal Services include the cost of overall management of the agency, internal audit, accounting, budget, cash management, facilities management, purchasing, personnel, employee training, and quality improvement.

FY 2007-08

Agency Activity Inventory
by Agency
Appropriation Period: FY 2007-08

Total	General Funds	Federal Funds	Supp. Funds	CRF	Other Funds	FTEs
\$5,463,341	\$4,189,032	\$0	\$0	\$0	\$1,274,309	67.15

Expected Results:

Administrative activities support the successful achievement of the agency's mission of collecting revenue through a variety of internal support functions. Customer satisfaction is measured through an annual survey and employee satisfaction is determined through resignations and sick leave usage.

Outcome Measures:

'Customer expectations of service delivery met 81% of the time; Annual turnover of employees is approximately 5%, Equal Employment Opportunity statistics 98.5% success rate.

AGENCY TOTALS

Department of Revenue

TOTAL AGENCY FUNDS	TOTAL GENERAL FUNDS	TOTAL FEDERAL FUNDS	TOTAL OTHER FUNDS
\$57,694,411	\$41,890,318	\$0	\$15,804,093
	TOTAL SUPPLEMENTAL FUNDS	TOTAL CAPITAL RESERVE FUNDS	TOTAL FTEs
	\$0	\$0	692.50